

Exhibit 7

31 Group Letter of Intent



Evercore Group L.L.C.
Attn: Shaun Finnie & Curtis Flood
909 Fannin, Suite 1800
Houston, TX 77010

Re: Arena Energy Proposal

Dear Mr. Finnie and Mr. Flood,

This Proposal sets forth a general description of a proposed transaction (the "Proposed Transaction") between 31 Group LLC, a Delaware limited liability company ("31 Group"), and Arena Energy (the "Company").

Proposed Transaction (Non-Binding)

The general description of the Proposed Transaction set forth in the numbered paragraphs below does not create a contractual relationship between the Parties with respect to the matters addressed, but instead provides a general description of the Proposed Transaction and to outline certain terms of the Proposed Transaction, all as generally agreed upon in principal by the Parties based upon information currently known by the Parties.

- 1) **Identity of Purchaser.** 31 Group would acquire assets through itself or an affiliate.
- 2) **Purchase Price.** The cash consideration for 100% of the Company and its subsidiaries assets would be one hundred fifty-six million dollars (\$156,000,000.00), based on historical financials and subject to adjustments negotiated in the APA.
- 3) **Sources of Financing.** 31 Group, MSD and Sculptor Capital, pursuant to the Proposed Transaction, would acquire, through 31 Group or a 31 Group affiliate, all assets of the Company and its subsidiaries in cash. There will be no additional steps required to secure funds.
- 4) **Source of Surety Bonds.** We have had initial discussions with our insurance provider, and we don't see any issues in finalizing the bonding requirements.
- 5) **Operations of the Assets.** Our vision is to achieve long term strategic growth through development projects in the existing GOM blocks. The expectation is that management and employees will continue to operate the assets.
- 6) **Transaction Documents.** Transaction documents have been reviewed by Locke Lord counsel. No material issues were noted and after minor redlines and negotiations, 31 Group will be poised to sign the APA.
- 7) **Timing.** 31 Group is ready to work towards executing a definitive agreement. We foresee closing within sixty (60) days of offer acceptance and anticipate definitive agreements to be complete on or around the 21st of July 2020.
- 8) **Advisors.** Locke Lord will act as counsel for 31 Group in this transaction and we will retained Bank of America as financial advisors.

9) **Due Diligence Requirements.** A thorough review of all provided materials has been conducted by management. Additional reviews will commence as supplementary information is added to the VDR.

10) **Other Material Assumptions or Conditions.** None.

We appreciate the opportunity to provide this offer and look forward to working towards a definitive agreement with you and your team. If you have any questions, please contact me at (972) 810-1031 ext. 807.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Goggans', with a stylized flourish extending to the right.

Ken Goggans
31 GROUP LLC